Washington, D.C. - Culminating a year-long effort by Congresswoman Melissa Bean and her colleagues, the House of Representatives passed a sweeping reform of Wall Street regulations today, enacting 20 of the 21 principles for reform that Bean and the New Dem Coalition have advocated for.

“These reforms are critical to preventing a repeat of the type of financial crisis and bailout we saw last year,” Bean said. “Last year’s breakdown spiraled into a near collapse, and it jeopardized the value of our pensions, our homes, our businesses and our national economy. I am proud of our work as New Dems over the last year to help craft these responsible reforms to preserve and protect a robust, but well-regulated American financial system."

The *Wall Street Reform and Consumer Protection Act*, H.R. 4173, which passed 223-202, combined nine separate reform bills, most of which were written by the Financial Services Committee where Bean serves.

As co-chair of the New Dem Financial Services Task Force and as a former small business owner, Bean has become a leading voice in Congress on regulatory reform and was a key architect of many of the reforms. In February, she and her New Dem colleagues released 21 principles for financial regulatory reform, the majority of which are included in the final legislation.

The major bills in this reform package include:

H.R. 3996, *The Financial Stability Improvement Act*:

This anti-bailout measure will ensure that failing companies are left to fail, with consequences to their executives and shareholders but without risk to the overall economy. The unprecedented level of government intervention last year, while necessary to stabilize our market, set a dangerous precedent that cannot be repeated. By establishing a mechanism for the Systemic Dissolution Authority—an FDIC sub-corporation—to dissolve major firms at their own expense, not taxpayers’, we prevent future interventions, guard against systemic risk to the economy, and send a clear signal that any implied government guarantee is eliminated. Bean personally amended the bill to make the authority a sub-corporation of the FDIC, rather than the FDIC itself, to protect depositors’ funds from dissolution activities.

A financial services oversight council will have the authority and responsibility to pull information from different regulators and require regulators to take action when it perceives a company or activity is a risk to the economic system, such as the exploding growth in unregulated credit default swaps. Bean personally amended the bill to require banking regulators, for the first time, to institute counter-cyclical capital requirements that would moderate the boom-and-bust cycle of the economy, putting us on a path toward greater market stability. She also added a provision that requires the systemic risk council to draft emergency preparedness plans to prepare the economic system for a major natural disaster or terrorist attack.

H.R. 3818, *The Over-the-Counter Derivatives Market Act*:

The multi-trillion dollar market in credit default swaps and other unregulated over-the-counter derivatives created a domino effect when the financial crisis culminated last year. While derivatives have legitimate uses for helping businesses hedge their risk, the lack of transparency and regulatory oversight allowed for abuses and irresponsible practices. By moving the majority of derivatives trading to a public exchange and by allowing regulators oversight of all derivatives, we guard against a shadow market that can jeopardize the regulated savings and investments of ordinary Americans.

H.R. 3126, *The Consumer Financial Protection Agency Act*:

This legislation creates a stand-alone agency to create and enforce federal consumer protection standards for all financial institutions and products, taking the place of an alphabet soup of regulators who often considered consumer protection a secondary function.

H.R. 3817, *The Investor Protection Act*:

This bill reforms SEC oversight and provides enhanced authority and funding to investigate fraud schemes like the Madoff scandal.

H.R. 3890, *The Accountability and Transparency in Rating Agencies Act*:

This act will increase transparency, accountability and liability at Nationally Recognized Statistical Rating Organizations, and mitigates conflicts of interest. During the crisis, ratings agencies were sometimes paid to help firms design investment vehicles before acting as a supposedly objective referee to grade the safety of those investments.